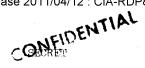
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- On 27 May 1952, the SMV Purchasing Office received the following written order from SMV Headquarters, Vienna, Kanagasse, which was relayed to all SMV sections:
 - The SMV Purchasing Office is to stop all buying from either USIA or non-USIA firms.
 - b. Goods on order for the Purchasing Office will not be accepted and no payments will be made for them.
 - c. Urgently needed material like chemicals, oil well cement and drilling equipment can be released to the oil fields only with permission of SMV headquarters.*
- 2. Excepted from the order prohibiting all purchasing are only the motor pools 1 and 2 which were given petty cash for vehicle repairs and the procurement of spare parts, and the G. Rumpel A.G. of Siebenhirten which received petty cash for necessary motor repairs and for diesel jet production.
- 3. The Muchlberg oilfield was ordered to cease all work except the maintenance of producing wells. The Kledering refinery was ordered to stop operating on 30 May. Both orders are now in effect although no dismissals have been reported as yet.
- 4. No purchasing office vehicles are in use now. The only purchasing office employees having any work are those concerned with pipe imports from the USSR and with other imports from satellite states.
- 5. The Soviet purchasing director, Voronia, is turning back unpaid all SMY creditors who are lining up at the Furchasing Office for pay.

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6. The Purchasing Office will be reorganized as follows:

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- a. The transportation section, responsible for all imports from Wast or West, will remain in Vienna;
- b. A section for purchasing from the Kest will be organized in Yienna;
- c. A section at Prottes or Meusiedl will buy directly for the oilfields;
- d. A section to supply materials and equipment for the refineries.**
- γ . It is relieved the following installations will shut down in a few days:
 - a. Efter refineries at Moospierbaum, Voesendorf, Okeros (Stockerau) and Elocheuburg.
 - b. The Weusiedl field office and the Aderklaa experimental drilling office.
 - c. The Sau- und Montag-, seismographic, karandage and well repair sections.
- 8. The following installations will probably continue to operate, possibly on a reduced scale: The behau and Mova-Denow refineries, the Seb-Neusiedl and Matzen oilfields and the office for geological test drilling.
- 9. The SMC central warelouse in Neusiedl is operating normally but the warehouse manager Viktor Peikert and the works councillor are unable to persuade Voromin to pay the warehouse workers overtime due on 30 May. Voromin told Peikert to pay them from his own pocket. Voromin also stated that the Austrians cannot now visit the SMV rest house since the SMV refuses to stand the expenses.

Gomment: 45 carloads of cement at the Neusiedl warehouse have n yet been unloaded.	iot
Comment: The division of duties between these four sections is n	ot
Comment: Information contained in paragraphs 5-7 are based on V "hysterical statements" after reading the order from SMV Hendquarters. is believed that such drastic changes could be ordered by Moscow only a not by Vienna SMV officials. The Soviets are apparaently curbing SMV i ments and are putting the SMV on a day-to-day basis in the event that t Soviet would have to withdraw suddenly.	It 50X1-HUM nd nvest-
Comment: There appears to be no sound basis for the changes ordered by SMV headquarters are possibly connected wit Soviet plans for sudden withdrawal from Austria. It is much more likel that the report indicates a reorganization of the SMV or financial diff	У

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